

From: Paul FM
To: Microsoft ATR
Date: 11/17/01 10:08am
Subject: You missed a few things in your settlement

You missed a few things in the Microsoft/DOJ settlement:

1. All of Microsoft's Software development tools (Visual C, Visual basic, etc.) seem to to have license requirements that forbid the user from creating another operating system, or a product that can compete with MS office or Internet explorer. Unfortunately, Microsoft embeds OS secrets in these products that are nearly impossible to use without them (in other words creating a competing product without these tools is nearly impossible). You should have had Microsoft rescind these sections of the license.
2. You should also have required that all Contracts with OEMs be registered with the justice department for review. To make sure Microsoft wasn't sneaking some anti competitive item in the contract.
3. You should have had Microsoft agree not to enter any other market and to remove themselves from directly providing Internet Service (MSN), as this is their new tool for controlling the market.

I have no problem with not breaking up Microsoft. Their monopoly is held together by restrictive contracts, not by the fact that they supply OS and Office software both.

I have no problem with Microsoft keeping secret code. In a truly competitive market they would have to make their product co-exist and interact properly with competitors, and reveal how to communicate with their server products.

I should preface the following by making it clear that I believe the Federal government legislates too many things that should be left to smaller government units (drinking laws, the now defunct 55 MPH speed limit law, and the like). I believe the job of the Federal government is to make as few laws as are needed to protect the rights and safety of citizens. But I do believe one of the thing the Federal Government must do is ensure a competitive market place.

I think much if not all of the Microsoft problem could be corrected with legislation that:

- a. Forbids the Federal Government from doing business with Monopolies (if there are no alternative sources it should allow the Federal Government to create one). As long as Microsoft is a Monopoly, the huge amount of business they get from the Federal Government would go to competitors. If the Federal Government stopped using Microsoft Office, other companies would be able to stop using it as well (including Universities and State Governments), if the

Federal Government couldn't use Internet Explorer, government web sites might not be compatible with it - forcing others to use alternative that are.

b. Forbids contracts that penalize a customer for using or supplying competitive products (as in Alternate OSes on a machine) this needs to be more generalized to prevent another company from using exclusive contracts in an anti competitive way (it could also apply to anti competitive clauses in software development tools).

I think Microsoft is a symptom of the holes in anti-trust/anti-monopoly legislation. Other companies restrain themselves only as a common practice. The result of the Microsoft case will impact other companies contemplating the same methods of gaining market share. Removing Monopolistic methods from the market place is the best way to ensure a competitive market place.

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The views and opinions expressed above are strictly those of the author(s). The content of this message has not been reviewed nor approved by any entity whatsoever.

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